

## **Audits-Payments**

**Subject:** Submitting Quarterly and/or Reconciled Operating Assistance Reports (OAR) and Withholding of State Operating Assistance Funds for Non-submission of the Quarterly and/or Reconciled OAR.

**Information:**

- Section 10e(4)(a)(vi) and Section 10h(1)(b) of Act 51 requires each eligible authority and eligible governmental agency receiving state Comprehensive Transportation Funds (CTF) to prepare and submit to the department four quarterly reports and a yearly (reconciliation) report, respectively, of the progress made in carrying out its local transportation program within **40** calendar days after the end of each reporting period. Section 14(5) of Act 51 gives the Passenger Transportation Division (PTD) the authority to withhold funds for failure to comply with the act.

**Actions Needed:**

1. Using the “General Instructions: A PTMS Transit Agency Help Guide,” and the “Operating Assistance Reports: A PTMS Transit Agency Help Guide,” log onto PTMS.
2. Enter the transit agency's operating revenue data, operating expense data, and non-financial operating data into the OAR. The data must be in accordance with the Michigan Department of Transportation Local Public Transit Revenue and Expense Manual (R&E Manual). The R&E Manual can be obtained on the PTD website at [www.michigan.gov/mdotptd](http://www.michigan.gov/mdotptd) - scroll down to the Resources Box, click on Audit/Accounting information.)

OARs are due on the following dates:

<u>Time Period</u>	<u>Data Included</u>	<u>Due Date</u>
1 <sup>st</sup> Quarter	October - December	by February 10
2 <sup>nd</sup> Quarter	January - March	by May 10
3 <sup>rd</sup> Quarter	April - June	by August 10
4 <sup>th</sup> Quarter	July - September	by November 10
Reconciliation (yearly)	October - September	by November 10

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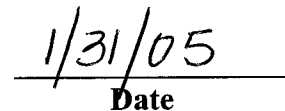
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3. If the OAR is not submitted on PTMS by the due date, the transit agency will receive a letter indicating that they have 30 days to submit the report (Attachment A). After 30 days if the OAR has not been submitted, the transit agency will be notified that operating assistance funding is being withheld (Attachment B).
4. When completing the reconciled OAR, refer to the Preliminary Reconciliation letter sent to all transit agencies receiving state operating assistance (formula funds). This reference letter is mailed out in the middle of September.
5. If there are questions from PTD, the OAR's status will be changed to re-submit. The transit agency should review the OAR and make any necessary adjustments and "re-submit" the OAR.

**Contact:** If you have any questions on this procedure, contact Sandy Lovell, Accountant, at (517) 335-2525 or at [lovells@michigan.gov](mailto:lovells@michigan.gov).

**Approved:**

  
\_\_\_\_\_  
Division Administrator

  
\_\_\_\_\_  
Date

Attachments: Attachment A  
Attachment B

**PTD:PAS:PDU:SL**

Attachment A

Date, 200X

Transit Agency, Manager  
Address  
Address  
Address

Dear Mr./Ms. Manager:

**Subject: Withholding Funds for Late Reports**

The XX Operating Assistance Report for FY 200X was due XX/XX/200X. To date your report has not been submitted on the Public Transportation Management System.

If this report is not received by XX/XX/2000X, the Passenger Transportation Division (PTD) will withhold your operating assistance.

These reports provide information which is used by PTD to make adjustments to your operating payments. If you have any questions or need assistance, please do not hesitate to contact me at (517) 335-2525 or by e-mail at [lovells@michigan.gov](mailto:lovells@michigan.gov).

Sincerely,

Sandra Lovell, Accountant  
Passenger Transportation Division

Attachment B

Date, 200X

Transit Agency, Manager  
Address  
Address  
Address

Dear Mr./Ms. Manager:

**Subject: Withholding Funds for Late Reports**

The XX Operating Assistance Report for FY200X was due XX/XX/200X. To date your report has not been submitted on the Public Transportation Management System.

Our letter of XX/XX/200X, indicated that operating assistance funds would be withheld if the missing report was not received by XX/XX, 200X. Operating assistance funding is, therefore, being withheld until the missing report is received.

If you have any questions or need assistance, please call your project manager.

Sincerely,

Sharon L. Edgar, Administrator  
Passenger Transportation Division